



Operational and Performance Analysis of the City of Jersey City

State of New Jersey
Department of Community Affairs
Division of Local Government Services

April 26, 2001

Executive Summary

Introduction

The City of Jersey City is at an important juncture in its history. Extensive new development and an influx of businesses and residents to the City has given Jersey City an opportunity to transform itself into a more vibrant and successful community with a responsive and efficient city government. Yet, Jersey City faces a number of management challenges. Financially, Jersey City is struggling. The New Jersey Department of Community Affairs (DCA) hired Andersen to conduct a performance and operational analysis of a number of Jersey City's governmental entities. The project has four overall goals:

1. Provide DCA and Jersey City with an independent and objective assessment of the financial and operational challenges facing Jersey City.
2. Identify ways for Jersey City to provide needed services in an effective and efficient manner that will cut costs and increase revenues.
3. Provide concrete recommendations for broad, cross-cutting business process reforms that would help Jersey City build a solid business foundation and move toward best-in-class public management and service provision practices.
4. Produce a report that would be useful as a blueprint for reform.

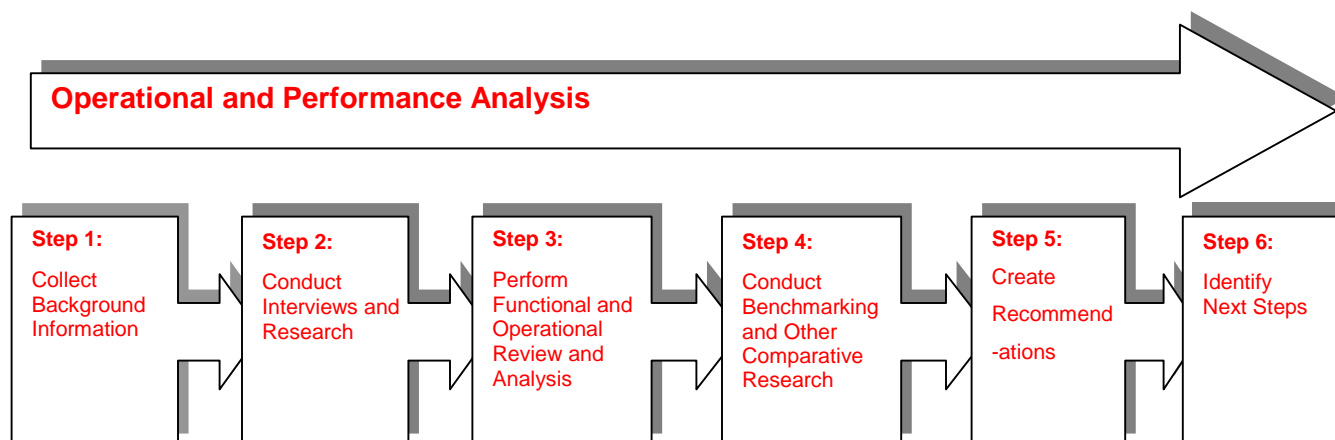
Specifically, DCA asked Andersen to review the following Jersey City departments, authorities and functions:

- Department of Housing, Economic Development and Commerce (HEDC)
- Jersey City Redevelopment Authority (JCRA)
- Procurement and Purchasing
- Jersey City Free Public Library (Library)
- Jersey City Parking Authority (JCPA)
- Jersey City Incinerator Authority (JCIA)
- Department of Neighborhood Improvement (NID)
- Tax Abatements
- Revenue Enhancement
- Department of Recreation and Cultural Affairs
- Human Resources
- Department of Health and Human Services (DHHS)

Most information in this report was compiled from publicly available sources or provided to Andersen by DCA or the Jersey City government. The scope of the engagement did not include conducting a financial audit. In most cases Andersen did not independently validate information provided from responsible sources except to clarify anomalies.

Project Methodology

Andersen applied a comprehensive methodology in order to develop recommendations for future improvements. The following graphic is a step-by-step narrative of the method used to execute this level of Assessment.



Step 1. Collect Background Information

The Andersen team spent the first several days of the project collecting background information on the City of Jersey City. Initial document reviews included information provided by the State, information available on the Jersey City web site, as well as independent research gathered by the Andersen team.

Step 2. Conduct Interviews and Research

We then conducted over 50 in-depth interviews with Department and Authority Directors and other relevant management throughout the City. During and after these interviews we requested relevant financial information, planning materials, organizational structure charts, and functional and operational data for further detailed review.

Step 3. Perform Functional and Operational Review and Analysis

In the next step, we focused on identifying key functions and operations for efficiency and effectiveness, as well as analyzing current financials and the budgetary situation. Additional follow-up conference calls, meetings, and document requests were completed to fill in missing information. Finally, we compared functions within Jersey City to find duplication of efforts and best practices that could be emulated.

Step 4. Conduct Benchmarking and Other Comparative Research

We next began to identify appropriate benchmarking partners and best practices to compare with Jersey City. Our benchmarking research included our Global Best Practices Database, Andersen proprietary Knowledge Space, and information from a multitude of similarly situated cities across the United States, other municipalities within the State of New Jersey, and private sector best practices. Our team made over 100 new benchmarking contacts and used an extensive amount of other relevant benchmarking data.

Step 5. Create Recommendations

After reviewing and analyzing the information and data collected from City staff and benchmarking and best practice research, the team formed recommendations to improve efficiency and effectiveness throughout the City. Upon completion of the recommendations, we discussed our general findings and recommendations with top department, agency and

authority management as well as Jersey City's Business Administrator. During these meetings, we asked the City to comment on the accuracy of the findings and recommendations and to identify potential concerns. We took the results of these meetings into consideration and in several instances modified the recommendations to address these concerns.

Step 6. Identify Next Steps

Finally, we identified critical next steps toward implementation and highlighted the importance of investment by the City as crucial for the recommendations' success. We also identified other areas within the Jersey City government where a more comprehensive analysis could prove valuable.

The information gathered for this report was extensive. We thank the many people in DCA and Jersey City government who provided invaluable data, knowledge, insight and thoughtful ideas to this project. Their hard work and cooperation was indispensable.

Findings

Under New Jersey tax structure, Jersey City is restricted in its ability to generate new revenues. Therefore, it is imperative that Jersey City manages its resources very carefully. In some areas, structural inefficiencies and managerial challenges limit the success of Jersey City operations.

Organizational Structure – The Jersey City government is a complicated amalgamation of departments, divisions, agencies and authorities. Jersey City's extensive use of semi-independent public authorities to perform key functions is uncommon among New Jersey municipalities. This practice of assigning functions that traditionally fall under the jurisdiction of the City government to authorities has contributed to loss of financial and operational accountability and prevents seamless delivery of services.

Strategic Planning – Jersey City government is suffering from a lack of comprehensive planning. There appears to be no written vision for the future of the City (with the notable exception of economic and community development). Nor are there articulated goals for the government or comprehensive plans for how such goals might be achieved.

Performance Management – Jersey City does not currently manage its operations using a performance management framework. This means that the City allocates funds to departments without linking budgets to current performance levels and without instituting methods to measure performance or encourage future performance improvements.

Cost Allocation – Ideally, all costs associated with a specific service should be easily ascertained and evaluated. In Jersey City, however, it is virtually impossible to fully estimate the true costs of any specific service or program because costs are not correctly allocated. This is a root cause of a number of operational and financial challenges facing Jersey City:

- There is little incentive to cut, control or manage costs because little monitoring of the full costs of services is possible;
- It is difficult to assess the true cost of service provision;
- There is a lack of financial accountability; and

- Jersey City is virtually unable to compare performance across divisions or departments, or with other cities.

Financial Management – During our work in Jersey City managers in some authorities and departments were unable to provide financial data that could be used for in-depth analysis. Part of this problem stems from insufficient and inconsistent financial systems and processes in use throughout the Jersey City government.

In addition to these general findings, we completed a detailed assessment of 12 City departments and authorities and developed six cross-cutting and 48 agency-specific recommendations. We have summarized each of these recommendations below. For all recommendations where figures for cost savings, revenue increases or reallocation of resources for needed investment could be estimated we have provided such information. Please refer to the full report for details on how these numbers were generated.

The successful implementation of many of the recommendations in this report should result in significant cost savings and increased revenue. Our recommendations should enable the City to reduce its operating deficit substantially. However, in order to realize these cost savings and revenue increases, Jersey City should fundamentally alter its operating model.

We suggest that Jersey City take the following steps:

- develop a comprehensive strategic planning for the City;
- fundamentally restructure parts of its operations;
- develop a performance management system;
- implement full cost allocation; and
- upgrade financial management systems and processes.

Jersey City's efforts at reform will require the reallocation of significant financial resources. We recommend that Jersey City prioritize its resources to allow for investments including an automated purchasing system, a comprehensive financial management system, and new street signs for street sweeping. We also recommend implementing a more comprehensive GIS system and capital improvements for the Main Library. These investments are necessary for Jersey City's modernization, will enable management to implement many of the recommendations outlined in this report, and are critical to realizing cost savings and revenue increases.

If fully implemented by Jersey City, the recommendations outlined in this report will:

- Reduce annual spending by over \$3.8 million
- Increase annual revenue by over \$1.5 million
- Allow for a reduction in personnel equal to about 125 full time employees (FTE)

It is important to note that these figures reflect only the financial impact of those recommendations where we had high confidence in the cost and revenue data. For many other recommendations, while we anticipate major additional financial benefits to the City, we have not quantified the fiscal impact because of large variances in potential savings. For example, implementing the following recommendations will generate substantial but currently unquantifiable savings or revenues in addition to the savings and revenues shown above:

- selling surplus vacant properties;
- consolidating fleet maintenance operations;

- implementing financial and managerial controls at JCPA; and
- outsourcing of demolition function at JCIA.

We realize that the resources needed in the near term to implement these recommendations are significant, but they are crucial to realizing the increase in revenue and decrease in spending that will help Jersey City move toward financial stability. Jersey City could use the one-time revenue it receives from selling a portion of its existing surplus land inventory to generate the funds needed for new investments. While it is impossible to know the precise value of the surplus land inventory, Jersey City could generate millions of dollars in new revenue by selling only a small portion of their inventory. This money could be used toward funding both the specific investments that we have identified, and the planning and reorganization activities that we describe above (that do not have a specific price tag attached in this report).

Recommendations

Following are recommendations for each of the departments, authorities and functions Andersen was asked to review. The title of each recommendation is preceded by a code used for easy reference in the full report.

Cross-Cutting

During our review of 12 of Jersey City's departments, authorities and programs, it became clear to us that there were many cross-agency functions that were not being performed in an optimal way.

CC1 - Consolidate Fleet Management and Maintenance Functions

Multiple departments and agencies (including JCIA, DPW and JCPA) maintain and manage separate fleet functions. Perceptions about the quality of service delivery vary widely between departments, as do policies and procedures. There is little or no sharing of information, skills or resources among the departments, and this leads to inefficiency and decreased productivity overall. Current purchasing procedures do not create economies of scale that would help the City purchase equipment and parts for a lower price. The lack of any vehicle tracking mechanisms can lead to uneven wear and tear on vehicles and make it difficult to assign responsibility for damage to vehicles. Finally, there appears to be no long-term, City-wide asset planning which would help the City make wise choices to revitalize its aging fleet.

Jersey City should centralize its disparate fleet management and maintenance functions to reduce overhead, supply and labor costs, and achieve vehicle-purchasing economies of scale. Steps in moving in this direction include the following:

- Conducting a fleet needs survey
- Centralizing parts and equipment purchasing
- Shifting toward a customer-focused approach
- Utilizing a life-cycle approach when making equipment replacement and purchase decisions
- Implementing a billing structure that supports the life-cycle perspective and ensures ownership and accountability by each department utilizing the centralized fleet management function

- Creating a system where detailed information on operational costs, maintenance schedules and vehicle performance results are housed and available to managers in various departments
- Outlining policies and procedures that provide guidelines on controlling cost and increasing vehicle availability through detailed responsibilities for operators, management and the centralized fleet function
- Outsourcing functions where appropriate

CC2 - Consolidate Snow Removal Efforts

Jersey City has outlined a Snow Removal Plan that is a good first step toward the provision of effective and efficient snow removal services. However, the current snow removal operation suffers three major inefficiencies that are a direct result of fragmentation of City services. First, the City is burdened with costly and inefficient staffing assignments and service provision levels. As a result, natural efficiencies that could be gained through utilizing workers for one function in the winter (i.e. snow removal) and another in the summer (i.e. park maintenance) are lost. Second, Jersey City uses resources to provide snow removal service levels that may be too high compared to surrounding municipalities. Finally, the City's budget for snow removal may be a very low estimate of the actual cost of the effort because of City-wide cost allocation problems.

Rather than trying to keep a large, year round staff to accommodate its staffing needs for the rare snow emergency, JCIA should instead:

- train and borrow employees from DPW or other City agencies during weather emergencies; and
- use more contractors to supplement the existing contracted services.

CC3 - Overhaul Street Sweeping

Jersey City's street sweeping operation is run primarily by JCIA, while JCPA assigns two Parking Enforcement Officers to ride in front of JCIA's street sweeping trucks. The personnel and machines are deployed on 11 routes across the City. Commercial and downtown areas are swept six days per week and secondary or residential neighborhoods are swept twice per week. Staff at both authorities complain about inter-agency coordination problems, and the number, location and length of the street sweeping routes themselves have not been evaluated for efficiency and effectiveness in many years despite calls for changes in routes. Jersey City should make the following changes to its street sweeping operation:

- Evaluate Service - Evaluate the number, location and length of all existing street sweeping routes for efficiency and effectiveness.
- Reduce Residential Street Sweeping - Reduce the frequency of street sweeping in secondary/residential areas from twice per week to once per week.

Implementing this recommendation would save the City over \$460,000 per year after an initial investment of about \$580,000, which will be needed to change the street signs and develop new routes. This will also allow the reduction of 6 FTEs.

CC4 - Implement a Standard Financial Management System

Jersey City has no integrated financial management system. Instead, many different systems – some old, some new, most not user-friendly or particularly scalable – are in operation. Because of the lack of integration and poor functionality of its current financial

Approximate Annual Savings: \$460,000

Staffing Change: Down 6

management systems, the City cannot effectively allocate service provision costs among agencies and departments, manage assets, or make business decisions based on complete financial information. To rectify this situation, the City should implement a fully integrated, enterprise-wide financial management system that includes basic accounting, asset management, budgeting, human resources and purchasing functionality. This system should be scalable, easy to use and integrate with existing systems, as well as technically compatible with State or County systems as needed. Substantial investment will be required to implement this recommendation. However, making this investment will allow better management throughout Jersey City, resulting in significant long-term efficiencies and recurring savings.

CC5 - Conduct a Citizen Survey

The City offers a wide range of services and makes ongoing decisions about the level and types of services it will provide. With limited resources Jersey City recognizes that as one service level increases, another service level may decrease. However, Jersey City has not conducted a citizen survey to measure desired service levels. Jersey City should conduct a comprehensive survey to ascertain citizen service preferences and satisfaction levels. This will allow the City to provide more citizen-centered services and identify areas for service reduction. Implementing this recommendation will cost approximately \$45,000.

CC6 - Conduct an Energy Audit

Energy expenses are a significant cost to Jersey City. However, no reconciliation beyond ensuring the accuracy of the addresses on the bills appears to be performed. Implementing other controls is difficult given the City's current financial system and lack of cost allocation capabilities. Energy abuses can go virtually undetected throughout the City, and efficiencies are not sought or achieved. The City recently released a Request for Proposals (RFP) calling for private firms to perform a reconciliation of utility bills and to make recommendations for better rates on behalf of Jersey City. Jersey City should continue to pursue conducting an energy audit and should expand this audit to include a review of the energy efficiency in the City's facilities. This would include determining ways to save on energy, including installing insulation, changing fixtures, replacing antiquated systems, and possibly putting lights on timers.

We estimate that annual cost savings of nearly \$185,000 could be achieved if this recommendation were implemented.

Division of Purchasing and Central Services

This Division of the Department of Administration is responsible for all procurement operations for City departments and coordinating delivery, security, and courier services throughout the City. Procurement processes are manual and lengthy, and because bulk purchasing is not adequately pursued, the staff is routinely overwhelmed by small orders. The following changes should be made in Jersey City's purchasing system:

Approximate Annual Savings: \$185,000

Approximate Annual Savings: \$675,000

Staffing Change: Up 1

PUR1 - Automate and Reengineer the Entire System

The procurement process in Jersey City is slow and cumbersome. Despite the fact that the system purchases nearly \$150 million in goods and services a year, it is still done manually. Three steps should be taken:

1. Automation: The City should invest in a commercial, automated system that will effectively manage all procurement operations. Once this automated system is in place, we believe that two clerical staff members should be sufficient to support the buyers administratively.
2. Reengineer the Procurement Process: We recommend a simplified process where more of the responsibility is transferred from the Division of Purchasing and Central Services to the Division that is requesting the purchase. The electronic system that supports this improved model will allow the Division of Purchasing to monitor the purchase order as it travels throughout the process at any time and to spend more time doing proactive work such as negotiating purchases and expanding its vendor pool.
3. Increase the Number of Buyers: The Division of Purchasing and Central Services should enhance the purchasing staff to include three additional buyers. The buyers should have the capacity to learn to use the new automated system.

If this recommendation is implemented, we estimate annual cost savings of over \$675,000 will occur after an initial expenditure of about \$725,000. A net increase of one FTE will result.

PUR2 - Online Purchasing and Procurement Card Usage

Almost all communication between the Division and vendors is done via phone and fax, and at times only a limited number of vendors can be contacted during a given timeframe, leading to price inefficiencies. The City should invest and utilize procurement cards for small purchasing to the extent permitted by New Jersey law. These cards will allow the Division to participate in electronic commerce and will broaden the possibilities for receiving the best possible prices for goods and services. This will reduce processing costs as well as time for routine transactions.

PUR3 - Outsource Security Services

The Division employs seventeen security guards. They maintain a fairly constant schedule and are coordinated by the Chief of Administrative Services and the Supervising Security Guard. The City has some experience with outsourcing the security operation. Although the City had problems with this in the past, it should consider outsourcing the security operation again under a strict contract. Implementing this recommendation would result in annual cost savings of nearly \$115,000 and reduction of 18 FTEs.

PUR4 - Outsource Facility Maintenance

The Department of Public Works maintains 26 buildings for the City of Jersey City. Most janitorial services are performed under a contract currently producing cost savings, but the City still employs 41 people to handle building repairs and maintenance. Jersey City's current costs for this operation are out of range with similar cities, and the facility maintenance function should be outsourced. Implementing this recommendation should save Jersey City around \$115,000 per year and allow for a reduction of at least six FTEs.

Approximate Annual Savings: \$115,000

Staffing Change: Down 18

Approximate Annual Savings: \$115,000

Staffing Change: Down 6

Approximate Annual Savings: \$150,000
Staffing Change: Down 9

PUR5 - Outsource Courier Services

Jersey City's courier service is managed by Central Services, employs nine messengers and utilizes nine vehicles. By providing this service through contract with private firms, Jersey City could reduce personnel, overhead and equipment maintenance costs dramatically. Total annual savings are estimated at nearly \$150,000 with a reduction of nine FTEs.

PUR6 - Transfer Responsibility for Library's Purchasing

Jersey City's Free Public Library procured \$600,000 in goods and services last year and 30 employees participated in some part of the purchasing process. However, the Library's process does not utilize the procurement expertise or purchasing power of the City. By shifting purchasing for the Library to the Division of Central Services, Jersey City could reduce personnel and overhead costs at the Library and better utilize existing procurement staff and purchasing knowledge.

PUR7 - Outsource Services at the Authorities

JCPA, JCIA, MUA and the Library currently operate fully independently of each other even when cooperation could produce efficiencies. An example of this is the management of security, delivery and facility maintenance services. Currently, these services are provided through a mixture of both contracted and in-house operations, and there is a wide a variance of costs for virtually the same services across the authorities. The authorities should consider jointly outsourcing these services by working with the Division of Central Services on a joint purchasing committee.

Division of Real Estate

Unlike many real estate operations in other cities, the Jersey City Division of Real Estate does not have responsibility for managing the property owned and occupied by the government of Jersey City. Instead, the Division is a small operation that currently performs four functions:

1. Manages and sells foreclosed property;
2. Enforces compliance with sales agreements;
3. Manages the Tax Lien Program; and
4. Pays Rents on leased property.

The rest of the traditional real estate functions are spread across City government or are not done at all. There is no coordinated property management of City-owned buildings, portfolio management and space allocation planning. There is also no systematic approach to maintenance and repairs or security provision. Finally, capital improvements appear to be done only on a crisis response basis, utility usage monitoring is non-existent, and the system for management of surplus land is flawed. The following changes should be made in the Jersey City real estate system:

RE1 - Create an Office of Property Management

Despite its substantial real estate portfolio, Jersey City does not have a centralized, coordinated property management operation. Jersey City should consolidate its real estate related operations into an Office of Property Management reporting to the City Administrator's Office. The main functions of this office should include portfolio

management, facilities maintenance and repair, capital construction management, and security and energy management.

RE2 - Reduce the Number of Surplus Properties Withheld from Sale

Sales of surplus land in Jersey City currently raise approximately \$2-3 million per year. The process by which surplus land becomes available for sale is identified, however, is flawed. Once the decision is made to place land on a “hold from sale” list, this decision is never revisited. Jersey City currently has 648 parcels of property in its surplus land inventory. The assessed value of the properties withheld from sale is \$52,663,200. However, the most recent assessment date for many of these properties could be as old as 1988; as a result, the total assessed value figure stated here may be a low estimate of actual value. Jersey City should institute a new management and review process to sell property in a more timely fashion, thereby increasing accountability and allowing Jersey City to realize one-time revenue and increased annual revenues from property taxes.

Tax Abatements

During the last decade – and increasingly over the last two years – Jersey City has negotiated multiple tax abatements under the State’s “Long Term Tax Exemption” statute. Many of these projects have far surpassed (in terms of both dollars and square feet) the typical development seen in Jersey City in prior years. Most of the tax abatement agreements allow developers to offer a Payment in Lieu of Taxes (PILOT) equal to 2% of project cost over a period of time ranging from five to 20 years. Jersey City also collects other fees on top of this payment. The total amount of revenue from PILOTs has increased significantly in the last few years. However, there is concern that more recent tax abatement agreements are front-loaded and the value of PILOTs coming in to Jersey City will actually begin to decrease in the coming years.

Jersey City’s process for considering and granting tax abatements is marked by ongoing, private discussions with developers throughout the process and a call for public comment towards the end of the process. Recently, nearby towns and neighborhood groups have complained to Jersey City (and some have filed lawsuits) over particular tax abatement projects. These complaints are usually centered on claims that the project violated zoning or other ordinances, that the tax abatement granting process was not public, or that payments collected by the City in addition to the PILOT were illegal under State Tax Abatement statutes. Jersey City argues that tax abatements are necessary to compensate for the City’s inordinately high tax rate and to provide developers with predictability in tax costs over time.

Our findings in this area are twofold. First, Jersey City may not need to offer tax abatements for various reasons:

- Jersey City has many other financial incentives to offer
- Location and high New York City rents already strongly favor Jersey City
- Although tax abatements have been available for many years, developers have taken advantage of this incentive only recently, suggesting that the incentive is not the only driver for business location decisions
- Now that Jersey City has established a ‘critical mass’ of development, further incentives may be less necessary to attract development

Second, county and school districts are not sharing in gains from the tax abatement agreements. Tax abatements shift service provision costs away from the City and decrease revenue shared with the County and School Board. Tax dollars collected under the normal system of taxation that would otherwise have been split between the City, the County and the School system instead stay solely in Jersey City in the form of PILOTs.

In addition to continuously re-evaluating whether or not tax abatements are still necessary to lure development, Jersey City should make the following changes in its abatement process:

AB1 - Use Accurate Municipal Cost Figures in Fiscal Impact Analysis of Non-Residential Tax Abatement Applications

A key component of the Jersey City review process for all commercial (non-residential) tax abatement applications is the cost/benefit-based Fiscal Impact Analysis (FIA). A three part, multi-step mathematical formula is used to determine the “costs” (for purposes of the FIA). The key figure used as the basis for this calculation is a “municipal levy” figure that is supposed to estimate how much the City spends on services City-wide. However, the figure the City routinely uses for this purpose is inordinately small and results in a low estimate of the costs to the City of a new development. Jersey City should be using a better estimate of the cost to provide City services. Using flawed estimates of the costs and benefits of a given abatement creates faulty analysis and may lead to abatement decisions that result in the City’s inability to pay for adequate service levels without outside help.

AB2 - Use Marginal Costing Instead of Average Costing When Determining Fiscal Impact of Large Projects

Jersey City uses a complex methodology for determining the fiscal impact of a new commercial development project. This fiscal impact value – called the “Municipal Cost Allocated to the Non-residential Facility” – is arrived at through a series of calculations that make up the Fiscal Impact Analysis (FIA) worksheet. The FIA is based on average costing, which assumes that the service provision costs associated with a new development are likely to be close to the average cost of providing services to existing development in the City. However, given the size and scope of new developments in Jersey City, average costing is a poor tool to use to estimate new cost. Rather, the City should use a marginal costing framework – one that recognizes that the proposed development does not reflect the average development in the City and should therefore be evaluated individually for impact on City service provision needs.

Department of Housing, Economic Development and Commerce (HEDC)

HEDC is comprised of seven Divisions with separate functions including Community Development, City Planning, Economic and Industrial Development, Construction Code, Zoning, Landlord Tenant and Commerce. HEDC generally manages its wide range of responsibilities well despite its limited resources and has contributed to the growth and development occurring in parts of Jersey City. The economic development functions within Jersey City are divided among a number of agencies, including HEDC, the Jersey City Redevelopment Agency (JCRA) and the Economic Development Corporation (EDC). Unfortunately, communication between these agencies is poor and mistrust is high. The Jersey City leadership should take steps to ensure better cooperation between these agencies. We recommend the following changes in HEDC:

Approximate Annual Savings: \$134,000

HEDC1 - Consolidate Code Enforcement in One Central Location

Under HEDC the Division of Construction Code monitors construction compliance, and Fire Code Inspectors take over when the building becomes operational. The Fire Protection Inspectors are charged with instructing the Fire Code Inspectors on the emergency systems in new buildings. Currently, there is little coordination of efforts between these functions and they lack a communal database to access information. Jersey City should civilianize the two uniformed Fire Inspectors and move the Division to HEDC. Implementing this recommendation would result in an annual cost savings of approximately \$134,000. This recommendation would cost \$53,980 to implement.

Approximate Annual Savings: \$110,000

Staffing Change: Down 2

HEDC2 - Combine Zoning and Construction Code Enforcement Under One Division Director

The Division of Zoning and the Construction Code Enforcement Division are currently two separate divisions within HEDC even though their work is closely related. Jersey City should combine the Zoning and Construction Code Directors' functions into one position, resulting in annual cost savings of nearly \$110,000 and reduction of two FTEs.

HEDC3 - Automate the License and Permit Process

Jersey City manually processes license and permit applications throughout its Divisions including Commerce, Construction Code, and Zoning within HEDC. The current processing system is labor intensive and inefficient. Jersey City should move to automate the license and permit process and make the applications available through its web site. This system would reduce transaction costs and deliver higher level service to citizens and other stakeholders.

Approximate Revenue Increase: \$195,000

HEDC4 - Increase License Fees

The Division of Commerce charges fees for licenses to offset the costs of regulating businesses and to earn revenue for the General Fund. However, the fee schedule is significantly lower than those of surrounding communities. HEDC has generated a schedule of recommended fee increases and Jersey City should move forward with approving and implementing these increases. Doing so would allow the City to raise nearly an additional \$195,000 per year.

HEDC5 - Relocate Agencies to Less Valuable Real Estate

A number of City departments are located on real estate that is now considered prime because of the current building boom in Jersey City. Jersey City should consider the following:

- Move HEDC and the Redevelopment Authority out of current leased space at the end of the lease term.
- Relocate the Car Pound to less valuable land.
- Relocate MUA, DPW and JCIA to less valuable land.

Approximate Annual Savings: \$125,000

Staffing Change: Down 2

HEDC6 - Disband the Bureau of Vacant Buildings

The initial function of the Bureau of Vacant Buildings was to manage the inventory of vacant building stock in the City. Recently, the City created a Vacant Buildings Redevelopment Plan and issued a Request for Proposal (RFP) for the rehabilitation of all units listed in the plan. As a result, the Bureau has no real function. Jersey City should disband the Bureau of Vacant Buildings. The Director's current duties, which were

previously performed by DPW, should be transferred back to DPW. This would result in annual cost savings of almost \$125,000 and allow a reduction of two FTEs.

HEDC7 - Implement Geographical Information System (GIS) City-Wide

A Geographic Information System (GIS) is mapping software that allows real estate related information to be applied to a spatial location and provides data in layers that can be manipulated. GIS is rapidly becoming a best practice for municipalities worldwide and sets apart well-performing cities from those falling behind in performance and efficiency. Ultimately, Jersey City could use GIS to make better policy choices throughout countless operations. The Municipal Utilities Authority has already implemented GIS and populated a data set to facilitate invoicing and monitoring the collection of user fees. Jersey City's goal should be for all departments to have access to GIS and should work with MUA to make this goal a reality within two years. Implementing GIS would require a substantial investment of funds.

HEDC8 – Ensure Adequate Staffing Levels for Federal and State Grants and Program Oversight

The Division of Community Development is the grant administration arm of HEDC. Block grants to HEDC are a major source of funding for Jersey City every year. The City must fulfill various requirements to receive these funds and remain in good standing with the granting agencies. Jersey City needs to ensure that enough properly trained staff are on hand in order to meet these requirements or the City could fall out of compliance.

Specifically, Jersey City should hire the following:

- staff to oversee and monitor grant-recipients and enforce HUD regulations
- a loan advisor
- a Labor or Davis-Bacon Monitor
- an asset manager/housing coordinator
- a social service coordinator

The City should fill and/or consider combining the following positions: lead-based paint coordinator, relocation officer, housing inspector/safe work practices monitor and risk assessor. Filling all of these vacant positions will cost \$225,000 a year, but this cost can be covered by unused block grant administration funds and will require no additional funding from Jersey City.

Jersey City Redevelopment Authority (JCRA)

JCRA is a non-elected public agency created to implement redevelopment plans and carry out redevelopment projects in Jersey City. JCRA's primary functions include real estate acquisition, assembly and redevelopment. In addition, JCRA has condemnation, demolition and tenant relocation responsibilities. Generally, JCRA seems to be run efficiently and professionally, but there are two areas that should concern City officials:

1. Community Centers - We question whether JCRA, a development agency, should be in the business of operating and providing programming for community facilities, an area in which it admittedly has no expertise.
2. JCRA's land banking policies - JCRA currently has an inventory of 171 properties that have an assessed value of \$42 million. JCRA is responsible for managing and maintaining these properties while they retain ownership, but the agency appears to have a very passive property management style that may incur unnecessary risk and

add to further neighborhood deterioration. There is also a question as to whether JCRA's land inventory exceeds their needs.

We recommend the following changes at JCRA:

JCRA1 – Implement New Property Review Process and Sell Excess Property

JCRA regularly acquires property from the City and others to facilitate development in Jersey City. JCRA has built up an inventory of over 171 parcels with an assessed value of \$42 million. JCRA should go through a review process similar to the one we recommend for the City (see recommendation RE2 – Reduce the Number of Surplus Properties Withheld from Sale) to determine which of these properties can be sold. Such a review and sale could generate millions of dollars for JCRA.

JCRA2 - Transfer the Community Center's Event Coordination to the Department of Recreation and Cultural Affairs

JCRA is not maximizing the Community Educational and Recreational Center (CERC) facilities. CERC daily activities are outside of JCRA's core services and they currently do not have the capacity to coordinate events, to sponsor programs, or to advertise facilities. The community center facilities could be better utilized if coordinated with and by the Department of Recreation and Cultural Affairs in conjunction with the Division of Recreation's program planning arm. If this recommendation were implemented, fees could increase by about \$20,000 a year.

JCRA3 - Supplement Staff or Recruit Volunteers to Run Community Centers

JCRA has neither the manpower nor the recreation expertise to operate the community center facilities. JCRA has two employees with unrelated job descriptions who also act as managers for these centers. Jersey City should explore hiring staff (to the extent that human resources are not available in City operations) or having senior citizen volunteers manage the centers. These costs should be incorporated into the business plans for each center.

JCRA4 - Eliminate One Messenger Position

JCRA currently employs two messengers. However, there is not enough work for both messengers. In the short term, JCRA should eliminate one position, which would result in annual cost savings of over \$30,000 and a reduction of one FTE. In the long term, JCRA should consider signing on to the City-wide courier service outsourcing contract recommended in this report (PUR5 – Outsource Courier Services).

Jersey City Incinerator Authority (JCIA)

JCIA is a quasi-independent City agency responsible primarily for waste management, snow removal and a host of cleaning and public safety related tasks. The organization is well run compared to many of the other City agencies we reviewed. During our review, JCIA provided informative and useful management and financial reports, which the staff appears to utilize as planning and management tools on a continuing basis. However, at times JCIA goes above and beyond the call of duty - or beyond its resources - in its attempts to meet and surpass the needs of Jersey City residents. We recommend that JCIA make the following changes:

Approximate Revenue Increase: \$20,000

Approximate Annual Savings: \$30,000
Staffing Change: Down 1

Staffing Change: Down 6

JCIA1 - Outsource Demolition Function

The Department of Demolition within JCIA demolishes approximately 35 dwellings per year. JCIA leases some of the equipment required for this function from the private sector, and occasionally bids out entire projects to private demolition companies. JCIA should consider outsourcing the entire demolition function. While the cost savings are difficult to quantify, there would be a reduction of six FTEs in implementation of this recommendation.

Staffing Change: Down 15

JCIA2 - Outsource Property Maintenance Function

JCIA's Division of Property Maintenance consists of 19 employees that keep approximately 400 City and private lots under City control free from litter, bulk trash and other waste products. The property maintenance function should be contracted out to a private-sector service provider and service-requesting agencies should be billed directly for the cost per project. While the cost savings are difficult to quantify, there would be a reduction of 15 FTEs in implementation of this recommendation.

Approximate Annual Savings: \$160,000

Approximate Revenue Increase: \$75,000

Staffing Change: Down 2

JCIA3 - Charge Fees for the Container Service

JCIA's Division of Transfer Container Service offers City residents, private businesses, and City agencies free use of large, metal containers for collection and disposal of bulk trash. JCIA trucks carry the equivalent of 700 containers-worth of trash (or 25,000 cubic yards) to a disposal site each year. JCIA should collect fees for disposal, storage and transportation of containers. Implementing this recommendation would provide projected annual cost savings of nearly \$160,000, a projected revenue increase of about \$75,000, and a reduction of two FTEs.

Approximate Annual Savings: \$100,000

Approximate Revenue Increase: \$125,000

Staffing Change: Down 2

JCIA4 - Downsize the Graffiti Removal Program and Charge Fees for Service

The Division of Graffiti Removal at JCIA works in partnership with law enforcement, residents and business owners to prevent and remove graffiti from buildings and structures through education and eradication programs. This Division could function more efficiently by reducing its staff from six employees to four and charging a service fee of \$125. Implementing this recommendation could provide annual cost savings of over \$100,00, a projected annual revenue increase of about \$125,000, and a reduction of two FTEs.

Approximate Revenue Increase: \$20,000

JCIA5 - Increase Car Pound Capacity and Use

The Jersey City Car Pound is a 7,000-car facility where all cars impounded by the Jersey City Police Department are towed. JCIA has operated the Car Pound since July 1994. The following three recommendations could lead to improved efficiency at this facility:

- Increase Auction Frequency: JCIA could hold auctions every three weeks. This would increase revenues and move more vehicles out of the Car Pound, making room for new ones.
- Move Car Pound to Larger Space: The City could increase its capacity to house towed vehicles by moving the Car Pound to a larger space. The City could also generate substantial revenue by selling or developing the current Car Pound lot.
- Require All City Agencies to Tow Vehicles to the Car Pound: When the Car Pound is located on a larger site and has capacity to increase the number of vehicles it can hold, the City should require that all vehicles towed on behalf of City agencies and authorities be taken to one place: the Car Pound. This would not only help the Car

Pound become self-sufficient, it would make it easier for residents or visitors to find their towed vehicles.

Implementing these recommendations could provide an annual revenue increase of at least \$20,000.

Jersey City Parking Authority (JCPA)

JCPA is a quasi-independent agency responsible for the enforcement of parking laws and the management of parking lots and meters throughout Jersey City. In the past Jersey City has appropriated as much as \$1.4 million for JCPA, yet the budget for FY2001 reduced that appropriation by over \$1 million. Currently JCPA has an operating budget of about \$5 million. But JCPA also has serious financial problems. They are running a substantial operating deficit that they are covering with the sale of assets. We recommend the following changes in JCPA to alleviate their financial problems:

JCPA1 - Implement Financial and Managerial Controls

JCPA appears to have no method for tracking the amount of revenue generated by Parking Enforcement Officers (PEOs), and PEOs have no written performance goals or expectations. Although JCPA is facing massive reductions in City funding, they have not responded by significantly cutting costs or enhancing revenue. JCPA should move away from deficit spending and increase overall efficiency and effectiveness by implementing standard financial controls over the coming months.

JCPA2 - Reduce Manager to Staff Ratio in Division of Enforcement

The Division of Enforcement is the largest Division within JCPA. Enforcement staff is responsible for writing parking tickets for a variety of City and State parking violations. The Division has a manager to staff ratio of one manager for every 3.6 staff. A reduction in managerial staff will produce monetary savings from decreased salary, benefits and overhead costs which may give JCPA more financial room to manage their monthly operating deficit. Implementing this recommendation would provide annual cost savings of almost \$250,000 and a reduction of six FTEs.

JCPA3 - Outsource the Maintenance and Management of Parking Lots

JCPA operates 11 parking lots throughout Jersey City. Over the last seven years, JCPA has sold seven parking lots, but staffing levels have remained constant in this Division. JCPA should outsource the maintenance and management of existing parking lots to a private firm with expertise in this area. Implementing this recommendation would provide annual cost savings of nearly \$550,000, an annual revenue decrease of almost \$45,000, and a reduction of 27 FTEs.

JCPA4 - Modify PEO Job Descriptions to Include Electronic Ticketing

A number of PEOs refuse to use the handheld ticket writing system known as the Automated Traffic System (ATS). The PEO job description should be reviewed and modified to require full utilization of the electronic, handheld ATS system. Implementing this recommendation would provide annual cost savings of nearly \$50,000 and a projected annual revenue increase of about \$560,000.

Approximate Annual Savings: \$250,000

Staffing Change: Down 6

Approximate Annual Savings: \$550,000

Approximate Revenue Decrease: \$45,000

Staffing Change: Down 27

Approximate Annual Savings: \$50,000

Approximate Revenue Increase: \$560,000

JCPA5 - Modify Towing Process

JCPA often encounters situations where vehicles need to be towed. Currently, JCPA contracts this service out to a private firm that does not utilize the City's Car Pound. To reduce the complexity of this process JCPA should streamline towing procedures and properly train JCPA dispatchers to act as facilitators. Implementing this recommendation would produce annual cost savings of over \$10,000, revenue increases of nearly \$15,000, and an increase of two FTEs.

Jersey City Free Public Library

The Jersey City Free Public Library is an autonomous agency that operates one main Library and eleven branches. The Library's management function has been outsourced to Library Systems Services Inc. (LSSI). Outsourcing the management function was and continues to be the right course of action for Jersey City. The Library lacked automation, training and leadership prior to LSSI's arrival. Our recommendations for additional improvement in the library system are as follows:

LIB1 - Eliminate the Community Awareness Series

The Jersey City Free Public Library began the Community Awareness Series (CAS) approximately 22 years ago as an educational series. Currently, CAS runs a cable television program, a jazz series, a number of cultural and ethnic events, and a selection of undetermined workshops. CAS operates with virtually no accountability or oversight, nor is there an annual financial plan to which CAS is held accountable. CAS duplicates offerings of the Cultural Affairs Division of the Department of Recreation, the event-planning arm of the municipal government. The Jersey City Free Public Library should eliminate the Community Awareness Series, thereby saving almost \$250,000 per year and a reduction of three FTEs.

LIB2 - Streamline Library Management and Operations

In 1999, Jersey City decided to outsource management of the Library because it recognized that the existing library management structure was in need of an overhaul. Library management, in an effort to limit LSSI's impact on decision making, hired additional management personnel, filling vacancies and creating new positions, while LSSI was renegotiating its contract with the Board. As a result, the library employs a parallel administrative staff that is unnecessary.

We recommend the following:

- The Director's job description and main function should be rewritten to include fund raising and development responsibilities.
- The two Assistant Director positions should be eliminated and replaced with two Program Coordinator positions.
- The Management Specialist position in the Budget Office should be eliminated after the current person in that position retires this summer.
- The positions of Director of Maintenance and Director of Capital Projects should be combined.
- The requirements for the Lending Librarian should be reduced from a masters degree to a bachelors degree.
- Consolidate departments such as the New Jersey Room and the Reference Room.
- Implement a performance measurement system that holds staff accountable.

Approximate Annual Savings: \$10,000
Approximate Revenue Increase: \$15,000
Staffing Change: Up 2

Approximate Annual Savings: \$250,000
Staffing Change: Down 3

Approximate Annual Savings: \$135,000
Approximate Revenue Increase:
\$250,000 in year 1
\$500,000 per year thereafter
Staffing Change: Down 4

Implementing these recommendations would result in annual cost savings of nearly \$135,000 and an annual revenue increase of \$250,000 in the first year and \$500,000 per year thereafter. These recommendations would result in a reduction of four FTEs.

LIB3 - Close Under-Served Libraries

The Library system operates seven small and storefront branches. The concept behind these branches is to respond to neighborhood needs for library services. These branches have fixed operating costs, which are incurred whether the facilities are used or not. Some of these branches have such low usage rates that it is very difficult to justify their costs. In the short-term, Jersey City Free Public Library should close the Pavonia and Pearsall Branches immediately for cost savings of more than \$195,000 a year and a reduction of five FTEs. In the long-term, they could also merge the West Bergen and Marion Branches.

Approximate Annual Savings: \$195,000

Staffing Change: Down 5

LIB4 - Renovate and Charge User Fees for Library Auditoriums and Other Space

The library has auditoriums and other space that if renovated would better serve the community. Miller, Five Corners, the Main Library, and the Heights each have auditoriums or other space that is not used to maximum capacity. These facilities are used to varying degrees by the community at no charge, but if renovated and marketed to commercial, non-profit and private event planners, they could become revenue generators that would help defray the costs of the initial capital investment. The Library should make the necessary capital investments to maximize library facilities and should start charging fees for some usage. A conservative estimate of library facility usage (based on each facility charging for one event per week) at \$100 per event would result in revenues of more than \$20,000 annually. Implementing this recommendation would require substantial investment, which could come from existing debt authorization.

Approximate Revenue Increase: \$20,000

LIB5 - Replace the Main Library's Manually Operated Elevator with an Automated Model

The Main Library's elevator is old and inefficient. The Library submitted a plan to replace the elevator to the City Council in the early 1990s. The City Council approved the expenditure in the Capital Budgeting Plan, but the project was never completed. Jersey City should replace the Main Library's antiquated manually operated elevator with an updated automated model. This would require an initial investment of \$450,000 and result in yearly cost savings of almost \$70,000 and the reduction of two FTEs.

Approximate Annual Savings: \$70,000

Staffing Change: Down 2

LIB6 - Outsource Courier Services

The Library system often uses delivery services to deliver ordered books, inter-library loans, and internal mail between branches. Currently, the Library also has one internal employee providing courier services between the Library branches and other destinations within the City. Instead, the Library should hire an external firm to provide this courier service, thereby reducing personnel and equipment maintenance costs. Implementing this recommendation would result in cost savings of nearly \$45,000 per year.

Approximate Annual Savings: \$45,000

Department of Neighborhood Improvement (NID)

NID consists of two Divisions: Neighborhood Management and Housing Code Enforcement. The Division of Neighborhood Management focuses on quality of life issues. Neighborhood Management employs code enforcement officers (CEOs) to enforce City code related to animals, solid waste, and streets and sidewalks. The Division of Housing Code Enforcement focuses on responding to tenant complaints and completing “cellar-to-attic” inspections. A major portion of the Division’s time is spent responding to tenant complaints concerning heat and hot water issues. We recommend the following changes be made relating to NID:

Approximate Annual Savings: \$115,000

Staffing Change: Down 1

NID1 - Disband the Department of Neighborhood Improvement

The two divisions within NID were housed in other agencies at one time. NID was created to bring together neighborhood related code enforcement operations. However, these two divisions would function better if housed in different departments. In addition, when the current Administration chose to create NID, they eliminated the Finance Department. Jersey City is legally allowed to have a finite number of departments; they are currently at the maximum number allowed by law. Although the operations of NID are helpful, Jersey City desperately needs a Department of Finance. This is a crucial department in any city and especially important in a city facing financial problems. Jersey City should disband NID and move the divisions to other City Departments. This would result in cost savings of nearly \$115,000 per year and the reduction of one FTE.

Approximate Annual Savings: \$75,000

Staffing Change: Down 3.5

NID2 - Merge Division of Housing Code Enforcement (Division of NID) with Tenant-Landlord (Division of HEDC)

The Division of Housing Code Enforcement is currently one of two divisions housed under NID and is responsible for handling tenant complaints. There is substantial interaction between the Division of Housing Code Enforcement of NID and the Division of Tenant-Landlord Relations in HEDC. Although the divisions are not duplicating efforts, Jersey City should fold the Division of Housing Code Enforcement into the Division of Tenant-Landlord Relations of HEDC, thereby streamlining administrative work, reducing management needs, and allowing better communication among the different functions. Implementing this recommendation would result in cost savings of nearly \$75,000 per year and the reduction of 3.5 FTEs.

NID3 - Move Division of Neighborhood Management to the Police Department as a Civilian Unit

The Division of Neighborhood Management is responsible for patrolling neighborhoods for code violations such as illegal dumping and handbill violations. It also manages contract employees from two nonprofit organizations who do manual sidewalk sweeping. The Division works closely with the Police Department’s Neighborhood Task Force Units (NTF). Jersey City should create a new division within the Police Department to house the current employees and functions of the Division of Neighborhood Management. In the future it may be possible to merge the supervisory roles of Neighborhood Management and NTF.

Department of Recreation and Cultural Affairs

The Department of Recreation and Cultural Affairs is split into two divisions responsible for a number of functions. The Division of Recreation runs a number of sports programs as well as operating a number of indoor and outdoor pools, an ice skating rink, and other facilities for after-school programming. The Division of Cultural Affairs' primary function is to provide programming for all City residents, including flag raising ceremonies, block parties, festivals, art exhibits, fairs, and parades, as well as many smaller events.

In addition to the programming offered by both Recreation and Cultural Affairs, the Department also provides various other services such as event transportation, planning and funding. All related functions including park maintenance are the responsibility of the Division of Parks with the Department of Public Works, while all programming within the parks is the responsibility of the Division of Recreation. However, these two divisions seem to work well together, despite the fact that they are housed in different Departments. The Department also been proactive in searching for ways to improve service delivery (the Special Events Package is one example). We recommend the following changes in the Department of Recreation and Cultural Affairs:

REC1 - Create and Implement a Citizen Survey

Although the Division of Cultural Affairs has made some attempt to collect feedback after events, currently there is no systematic way to determine constituents' preferences for recreation related services. The current collection of information is sporadic and not extremely reliable. Therefore, there is no way to determine whether there are citizen recreation needs that they have not addressed, or if they are devoting too many resources on some current programming. The Department should create and implement a citizen survey related to parks and recreation activities that will allow them to determine if they are spending their scarce recreation dollars most appropriately. Implementing this recommendation will cost approximately \$45,000.

REC2 - Create Formal Funding Process for Nonprofit After-School Programs

The Department of Recreation and Cultural Affairs' functions include youth programming. There are a number of after-school programs that are run by nonprofit groups independent of City government. Originally funded through the Mayor's Office, all funding for such groups is now funneled through the Department of Recreation and Cultural Affairs. In order to manage funding effectively and efficiently, the Department should create a formal funding process for after-school programs. This should include an application, application review and a performance review for each recipient program.

REC3 - Charge User Fees for Sound System and Show-mobile

In addition to co-sponsoring festivals, the Division of Cultural Affairs supports events planned by other City departments and/or nonprofit organizations within the community. Recently, Cultural Affairs has also received an increasing number of requests for event support from private businesses. Cultural Affairs' support includes providing a stage, Show-mobile and/or a sound system. The Department should create a rental fee schedule for the sound system, stage and Show-mobile, and charge for events not fully sponsored by the City. The City could generate over \$6,000 a year in new revenue in this manner.

REC4 - Charge Fees for the Use of Buses and Vans

Approximate Revenue Increase: \$6,000

Approximate Revenue Increase: \$13,000

The Department of Recreation has nine vans and seven buses used to transport people for the Department's programs and events, as well as other City department events. Nonprofit and other private groups are allowed to use the buses for separate events. Nonprofit and private users account for over one-third of the bus trips each year, but usually reimburse the City only for the salary of the drivers. The Department should create a fee schedule and charge nonprofit and private groups for the use of the buses and vans. We recommend at least \$75 per bus and \$50 per van. Implementing this recommendation could result in at least \$13,000 in increased revenue per year.

Approximate Revenue Increase: \$5,000

REC5 - Charge User Fees for Outdoor Fields Used by Private Organizations

Among its other duties, the Department of Recreation and Cultural Affairs coordinates field and indoor recreational area usage. The Division receives well over 100 requests per year for outdoor field usage from nonprofit groups, associations, public and charter schools, private corporations and businesses, but user fees are not collected. Jersey City has begun to charge user fees for the use of the new community centers, and should also charge user fees to private corporations for the use of outdoor fields. This would result in annual increased revenue of nearly \$5,000.

Human Resources – Review of the Personnel Management Project for Jersey City

The State has asked us to review the personnel management project report that was completed last year. There are a number of important issues that should be considered, including:

- Whether the Jersey City personnel office engaged in any type of workforce planning activity.
- Jersey City's need to project future workforce needs through succession planning.
- Jersey City's lack of clear recruitment strategies.
- The need for specific provisions in labor contracts.

The City should do the following to facilitate a successful implementation of the recommendations outlined in the report:

- Put tracking systems into place to assure that the recommendations are being implemented.
- Require the personnel department to submit a work plan and plan of action to address each of the recommendations.
- Put incentives into place to assure compliance with the recommendations.
- Clarify the roles and responsibilities of the departments, agencies, personnel department and the State department of personnel.
- Commit necessary financial resources (in terms of dollars or FTEs) to the personnel department to assure that they have the capacity to implement these recommendations.

Department of Health and Human Service

The Department of Health and Human Services (DHHS) is the primary vehicle for the delivery of essential public health services to the residents of Jersey City. In addition, to managing the federally funded Women, Infant and Children Program, DHHS provides the following services:

- Lead Poison and Immunization Clinic
- Preventive Medicine Clinic
- Sexually Transmitted Disease Clinic

- Tuberculosis Clinic – based on a contract with Hudson County
- Activities for Senior Citizens
- Health Fair
- Medical Identification Program
- Pre/Post Natal Clinic

Unlike other agencies where the team conducted detailed analyses, we were asked to simply scan at a high level the health services provided by Jersey City. As a result of our high level overview, we have identified a few areas of concern. Although DHHS is the primary agency delivering essential public health services to the residents of Jersey City, they could not provide us with a written list of those services. Like many other City agencies, DHHS did not appear to have a strategic plan. Although DHHS personnel seemed committed to their work, the background experience of a number of the personnel at DHHS is not health related. Further study is needed in a number of areas, including competency monitoring, public information provision, and grant management. We recommend that DHHS make the following immediate changes:

HHS1 - Move the Office of Senior Affairs to the Department of Recreation

The Office of Senior Affairs is one of four divisions in the Department of Health and Human Services. Most of the activities sponsored for senior citizens are recreational, including monthly trips to movie theatres, shopping trips, and local group outings. The Division relies heavily on the expertise of the Department of Recreation and Cultural Affairs for event planning throughout the year. The coordination between the two departments is sometimes as simple as borrowing Department of Recreation buses for transportation to and/or from Office of Senior Affairs' activities and events. The City should move the Office of Senior Affairs from the Department of Health and Human Services to the Department of Recreation and Cultural Affairs to maximize efficiencies related to event planning.

Next Steps

The biggest challenge to implementing these recommendations will not be financial. It will be generating and sustaining the commitment of City leaders to undertake these projects and creating the climate where such changes are consistently supported over a substantial period of time. Recommendations, no matter how good, will not result in beneficial change if they are not supported by management and implemented in full.

Successful implementation of the recommendations will require the following:

- an ongoing commitment from City and departmental leadership;
- a strong, detailed, and realistic implementation plan;
- an understanding of and willingness to invest in change-enablement
- ongoing evaluation of the new direction and adjustment as needed.

To facilitate and expedite implementation, Jersey City should consider outsourcing the implementation of some of the recommendations included in this report.

Further Areas for Study

Our scope of inquiry in this project was limited to the areas that the State believed were most likely to generate helpful recommendations. However, in addition to the help Jersey City will need implementing the recommendations in this report, we believe that there are many more areas to be considered for improvement in Jersey City. We suggest that additional study in the following areas might produce substantial results for Jersey City:

- Law Department
- Risk Management
- Municipal Utilities Authority (MUA)
- Department of Health and Human Services (DHHS)
- Department of Public Works (DPW)
- Fire and Police Department Procurement Systems
- Mailroom and Printing Operations

Conclusion

We believe that Jersey City is at a crossroads. Impressive new development in the City has given Jersey City an opportunity to reinvent itself and to bring a new wave of prosperity and an enhanced quality of life to its citizens. However, current systems and practices are often inefficient. It will take bold and committed leadership to make the changes needed to bring the management and services of Jersey City to the level that its residents and visitors demand from a successful urban community.